

Document Number
COMMISSION ON HIGHER EDUCATION
Chapter 62
Statutory Authority: 1976 Code Section 59-104-20

62-300 Palmetto Fellows Scholarship Program

Synopsis:

The Commission on Higher Education proposes to amend and replace in its entirety R.62-300 of the Palmetto Fellows Scholarship Program. The proposed amendments will clarify the policies and procedures for administering the Palmetto Fellows Scholarship. Beginning with the 2002-03 academic year, the proposed amendments will increase the Palmetto Fellows Scholarship from a maximum annual award amount of up to \$5000 to \$6700 per academic year. The proposed regulation also includes language that will allow students who are pursuing a program of study that is structured so as not to require a baccalaureate degree to receive the scholarship for up to eight terms (or its equivalent).

Instructions: Add new R.62-300, Palmetto Fellows Scholarship Program, to Chapter 62 regulations.

Text:

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Pursuant to Act 458 which was initially established as Title 59 of the 1976 Code as amended under Section 18A.28 of the 1997-98 Appropriations Bill, the Commission on Higher Education shall promulgate regulation and establish procedures to administer the Palmetto Fellows Scholarship Program. The General Assembly established the Palmetto Fellows Scholarship Program to foster scholarship among the State's postsecondary students and retain outstanding South Carolina high school graduates in the State through awards based on scholarship and achievement. The purpose of the Palmetto Fellows Scholarship Program is to recognize the most academically talented high school seniors in South Carolina and to encourage them to attend eligible

colleges or universities in the State. A secondary purpose is to help retain talented minority students who might otherwise pursue studies outside the State.

62-305 Allocation of Palmetto Fellows Scholarship Funds to Public and Independent Institutions

A. Funds made available for higher education grants and scholarships under Chapter 143 of Title 59 of the 1976 Code, as amended under Act 458, South Carolina Children First: Resources for Scholarship and Tuition Act of 1996, shall be included in the annual appropriation to the Commission on Higher Education. Fifty percent of the appropriation shall be designated for the Palmetto Fellows Scholarship Program and the remaining fifty percent shall be for the Need-based Grants Program. However, in instances where the equal division of the appropriated funds between the Palmetto Fellows Scholarship and Need-based Grants Programs exceeds the capacity to make awards in either program, the Commission on Higher Education has the authority to re-allocate the remaining funds between the two programs. The Commission on Higher Education shall award to eligible students attending public or independent eligible institutions as Palmetto Fellows Scholarships as follows:

1. Of the funds allocated to public institutions, the percentage shall be equivalent to the percentage of the public institution's share of the total South Carolina resident undergraduate full-time headcount enrollment in the preceding year.

2. Of the funds allocated to independent institutions, the percentage shall be equivalent to the percentage of the independent institutions' share of the total South Carolina resident undergraduate full-time headcount enrollment in the preceding year and will be determined annually by the South Carolina Commission on Higher Education and the Tuition Grants Commission.

B. Under the South Carolina Education Lottery Act, a designated amount shall be allocated for Palmetto Fellows Scholarships and shall be included in the annual appropriation to the Commission on Higher Education.

C. After expending funds appropriated for Palmetto Fellows Scholarships from all other sources, there is automatically appropriated from the general fund of the State whatever amount is necessary to provide Palmetto Fellows Scholarships to all students meeting the requirements of Section 59-104-20.

62-310 Definitions

A. "Academic year" is defined as the twelve-month period of time during which a full-time student is expected to earn thirty credit hours. The period of time used to measure the academic year will consist of a fall, spring and summer term (or its equivalent).

B. "Baccalaureate degree program" is defined as an undergraduate program of study leading to the first bachelor's degree at a location approved by the U.S. Department of Education for participation in federally funded Student Aid Programs.

C. "Degree-seeking student" is defined as any student enrolled full-time in a program of study that leads to the first baccalaureate degree or a program of study that is structured so as not to require a baccalaureate degree at an eligible institution.

D. "Full-time student" shall mean a student who has matriculated into a program of study leading to the first baccalaureate degree or a program of study that is structured so as not to require a baccalaureate degree and leads to a graduate degree and who enrolls full-time, usually fifteen credit hours for fall and spring terms

or twelve credit hours for fall, eight credit hours for winter, and twelve credit hours for spring trimester terms. In order for the student to be eligible for scholarship disbursement, the student must be enrolled full-time as stipulated by Title IV Regulations, except that credit hours may not include remedial coursework.

E. "Independent institutions" are those institutions eligible to participate in the South Carolina Tuition Grants Program as defined in Chapter 113 of Title 59 of the 1976 Code, which stipulates that an "independent institution of higher learning means any independent eleemosynary junior or senior college in South Carolina whose major campus and headquarters are located within South Carolina and which is accredited by the Southern Association of Colleges and Schools." However, independent two-year institutions are not eligible for participation in this program.

F. An "offense" shall mean a violation of any law or rule in any state or Federal criminal justice system.

G. "Program of study that is structured so as not to require a baccalaureate degree" is a program of study that is structured so as not to require a baccalaureate degree for acceptance into the program and leads to a graduate degree, which will be the student's first academic degree awarded, at a location approved by the U.S. Department of Education for participation in federally funded Student Aid Programs. Students are eligible to receive the scholarship for a maximum of eight terms (or its equivalent) as long as all other eligibility criteria are met. Students who have been awarded a baccalaureate or graduate degree are not eligible for scholarship funding.

H. "Public institutions" are those four-year baccalaureate degree-granting institutions as defined in Chapter 103 of Title 59 of the 1976 Code, which stipulates "public higher education shall mean state-supported education in the post-secondary field." Public two-year institutions and technical colleges are not eligible for participation in this program.

I. "South Carolina resident" shall be defined as an individual who satisfies the requirements of residency in accordance with the state of South Carolina Statute for Tuition and Fees, Section 59-112-10, and all related guidelines and regulations promulgated by the Commission on Higher Education as determined by the institutional residency officer each academic year.

J. "Transfer student" is defined, for the purposes of this program, as a student who has changed full-time enrollment from one eligible institution to another eligible institution.

62-315 Student Eligibility

A. In order to qualify for consideration for a Palmetto Fellows Scholarship, a student must:

1. Be enrolled as a senior in a public or private high school or any other high school program of study approved and certified by that school district as conforming to relevant State Statute at the time of application and be a legal resident of South Carolina as defined in applicable State Statute governing the determination of residency for tuition and fee purposes at the time of college enrollment;

2. Be a U.S. citizen or a permanent resident that meets the definition of an eligible non-citizen under State Residency Statute;

3. Meet the following three criteria: a minimum score of 1200 on the Scholastic Assessment Test (SAT) or an equivalent ACT score, and a cumulative 3.5 grade point ratio (GPR) on the Uniform Grading Scale at the end of the junior year, and rank in the top five percent of the class at the end of either the sophomore or the junior year. Qualifying scores must be certified by the high school on the Palmetto Fellows

Scholarship application by no later than the scholarship application deadline;

4. Be seriously considering attending, have applied, or have been accepted for admission to an eligible four-year baccalaureate-granting public or independent college or university in South Carolina as defined under Chapter 143 and Chapter 113 of Title 59 of the 1976 Code as a first-time, full-time, degree-seeking student;

5. Certify that he/she has not been adjudicated delinquent, convicted, or pled guilty or nolo contendere to any felonies, alcohol, or drug related offenses under the laws of this or any other state or under the laws of the United States by submitting a signed affidavit each academic year to the institution testifying to the fact, except that a high school or college student who has been adjudicated delinquent, convicted, or pled guilty or nolo contendere of an alcohol or drug related misdemeanor offense is only ineligible for the next academic year of eligibility after the date of the adjudication, conviction or plea; and

6. Submit the official Palmetto Fellows Scholarship Application by the established deadline and comply with all the directions contained therein.

B. The high schools shall ensure that all students meeting the eligibility criteria are given the opportunity to be included in the applicant pool.

C. A high school student who transfers into the State or a student who is enrolled in a high school outside of South Carolina is eligible to participate in the program providing that the student meets all eligibility requirements as described herein as well as all residency requirements as described in the “Program Definitions” Section above. A transfer student from, or a student enrolled in, an out-of-state high school may apply on the condition that the counselor or principal at the high school at which the student is presently enrolled provides official high school transcripts and appropriate documentation of compliance with all eligibility criteria, including State residency status, SAT score or equivalent ACT score that are certified by the high school on the Palmetto Fellows Scholarship application by no later than the scholarship application deadline, GPA at the end of the junior year, and rank at the end of either the sophomore or the junior year in high school. The high school principal or counselor must identify each eligible student and provide an application to each student.

D. A high school student who graduates immediately after the high school junior year is eligible to apply for the Palmetto Fellows Scholarship, providing that the student meets all eligibility requirements as described in the “Student Eligibility” Section, and providing that the student is entering a participating college or university not later than the fall term immediately following high school graduation.

E. Students receiving a Palmetto Fellows Scholarship are not eligible for a LIFE or HOPE Scholarship.

F. Any student who attempts to obtain or obtains a Palmetto Fellows Scholarship through means of a willfully false statement or failure to reveal any material fact, condition, or circumstances affecting eligibility will be subject to applicable civil or criminal penalties, including loss of the Palmetto Fellows Scholarship.

62-320 Student Application

A. The Commission on Higher Education will send information regarding the application process to South Carolina high schools. High school officials will identify students who meet the following three criteria: SAT score or equivalent ACT score, and GPR at the end of the junior year, and rank in the high school sophomore or junior class. Applications must be submitted no later than the established deadline along with the appropriate official signatures and the students' official transcripts by the principals to the Commission on Higher Education.

B. The high schools shall complete and return a list to the Commission on Higher Education indicating the names of all students who meet the eligibility criteria according to the high school. Both the high school principal and guidance counselor must sign the list. The list shall indicate whether the student is submitting a completed application or declining the opportunity to submit an application. If the student declines the opportunity to submit an application, the high school will submit a form for each of these students, signed by both the student and the parent/guardian, and indicating the reason(s) for not submitting an application.

C. Students must have certification that they earned a cumulative 3.5 GPR on the Uniform Grading Scale at the end of the junior year.

D. Students must have certification that they rank in the top five percent of their high school class at the end of either the sophomore or the junior year.

E. For those high schools that have fewer than twenty students in the class, the high school can submit up to two applications (an application for the student who is ranked number one in the sophomore class and, if different, an application for the student who is ranked number one in the junior class). For those high schools that have fewer than forty students but greater than twenty students in the class, the high school can submit up to four applications (up to two applications for the students ranked number one – one for the student who is ranked number one in the sophomore class and, if different, one for the student who is ranked number one in the junior class; and up to two applications for the students ranked number two in the class – one for the student who is ranked number two in the sophomore class and, if different, one for the student who is ranked number two in the junior class). These students must meet all other eligibility criteria.

F. Students must have certification that they earned a score of at least 1200 on the SAT, or an equivalent ACT score. The Commission on Higher Education shall convert all ACT scores to the equivalent SAT scores.

G. Qualifying test scores must be certified by the high school on the Palmetto Fellows Scholarship application by no later than the scholarship deadline. It is permissible to select a verbal score from one test administration and a math score from a different test administration in order to obtain the qualifying composite score.

62-325 Selection Process

A. The Commission on Higher Education shall notify students of their selection as a Palmetto Fellow along with terms and conditions of the award.

B. Students must notify the Commission on Higher Education of their acceptance of the scholarship and designate the participating institution in which they plan to enroll by the date established by the Commission on Higher Education or forfeit the Palmetto Fellows Scholarship.

C. The Commission on Higher Education shall ensure that there is equitable minority participation in the program.

62-330 Policies and Procedures for Awarding Palmetto Fellows Scholarships

A. The institution shall specify exact award amounts based upon applying the Palmetto Fellows Scholarship Regulation and criteria stipulated herein. The annual award amount for each Palmetto Fellow shall not exceed \$6700 per academic year.

B. Palmetto Fellows Scholarships are to be used only towards payment for cost-of-attendance as established by Title IV Regulations with modifications set forth in C below for the academic year for which the scholarship is made at the designated institution. The maximum amount awarded shall not exceed the cost-of-attendance as established by Title IV Regulations for any year.

C. Charges for room and board are to be limited as follows:

1. Room charges shall not exceed the average cost of on-campus residential housing; and
2. Board charges shall not exceed the cost of the least expensive campus meal plan that includes 21 meals per week.

D. In determining the amount awarded for the Palmetto Fellows Scholarship, all other sources of gift assistance, including Federal, State, private and institutional funds, must be applied to the unmet total cost-of-attendance in accord with Title IV Regulations before calculating the scholarship amount and awarding the scholarship. Adjustments to the financial aid package will be made to the Palmetto Fellows Scholarship in accordance with prescribed Title IV Regulations in order to prevent an over-award.

E. Although a student may be named a Palmetto Fellow, the student may not receive a monetary award if the award, when added to other financial resources, would cause the student to receive total assistance in excess of the student's cost-of-attendance as defined by Title IV Regulations and these guidelines.

F. Participating institutions will notify students of their award along with the terms and conditions of the award.

G. The institution must retain annual paper or electronic documentation for each award to include at a minimum:

1. Institutional Student Information Record (ISIR) or affidavit documenting that the student is not in default or does not owe a refund on any State or Federal financial aid
2. Affidavit documenting that the student has never been convicted of any felonies, alcohol or drug related misdemeanor offenses as stated under "Student Eligibility" and "Duration and Renewal of Awards" Sections
3. Award notification
4. Institutional disbursement to student
5. Refund or repayment (if appropriate)
6. Student's residency status
7. Enrollment and curriculum requirements
8. Student's disability (if appropriate)

H. It is the institution's responsibility to ensure that only eligible students receive the scholarship.

62-335 Duration and Renewal of Awards

A. A Palmetto Fellows Scholarship shall be initially awarded for one academic year. The institution shall adjust the amount of the scholarship award during the academic year in the event of a change in the student's eligibility.

B. Students selected as Palmetto Fellows must enter a participating college or university the fall term immediately following high school graduation. The award may not be deferred except as noted under "Enrollment in Internships, Cooperative Work Programs, Travel Study Programs, or National or International

Exchange Programs” Section.

C. A Palmetto Fellows Scholarship may be renewed annually for no more than a total of eight terms (or its equivalent) of full-time study toward the first baccalaureate degree or a program of study that is structured so as not to require a baccalaureate degree and leads to a graduate degree. Renewal decisions will be made annually and are not automatically guaranteed. Students who have already been awarded their first baccalaureate or graduate degree are not eligible to receive the Palmetto Fellows Scholarship.

D. The institution shall be responsible for securing institutional certification of each recipient's cumulative grade point average, credit hours attempted and earned, and satisfactory academic progress for purposes of determining eligibility for award renewal.

E. In order to retain eligibility for the Palmetto Fellows Scholarship after the initial year, the student must:

1. Enroll full-time at the time of the scholarship disbursement;
2. Earn at least a cumulative 3.0 grade point average (GPA) on a 4.0 scale for graduation purposes by the end of each academic year;
3. Earn a minimum of thirty credit hours for graduation purposes by the end of each academic year. Exempted credit hours (such as AP, CLEP, etc.) cannot be used to meet the annual credit hour requirement;
4. Certify each academic year that he/she has not defaulted and does not owe a refund or repayment on any Federal or State financial aid. If a student has an Institutional Student Information Record (ISIR) or its equivalent on file, the ISIR information will be used to verify default status or refund/repayment owed. Students who have not completed a FAFSA Form must have an affidavit on file to verify that he/she is not in default and does not owe a refund or repayment on any Federal or State financial aid, including the State Grant, Pell Grant, Supplemental Educational Opportunity Grant, Perkins Loan or Federal Stafford Loan; and
5. Certify each academic year that he/she has not been adjudicated delinquent, convicted, or pled guilty or nolo contendere to any felonies, alcohol, or drug related offenses under the laws of this or any other state or under the laws of the United States by submitting a signed affidavit each academic year to the institution testifying to the fact, except that a high school or college student who has been adjudicated delinquent, convicted, or pled guilty or nolo contendere of an alcohol or drug related misdemeanor offense is only ineligible for the next academic year of eligibility after the date of the adjudication, conviction or plea.

F. Any student who attempts to obtain or obtains a Palmetto Fellows Scholarship through means of a willfully false statement or failure to reveal any material fact, condition, or circumstances affecting eligibility will be subject to applicable civil or criminal penalties, including loss of the Palmetto Fellows Scholarship.

62-340 Transfer of Palmetto Fellows Scholarship

A. Palmetto Fellows enrolled at an eligible public or independent institution as defined in Chapter 103 of Title 59 of the 1976 Code may transfer the scholarship to another eligible institution upon obtaining prior approval from the Commission on Higher Education.

B. Transfer students shall receive the scholarship for no more than eight terms (or its equivalent) at all institutions attended.

C. Transfer students must comply with all standards for continued eligibility as defined under “Duration

and Renewability of Award” Section in order for their scholarship to be eligible for transferal.

62-345 Students with Disabilities

A. Palmetto Fellows who qualify under the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973 must meet all eligibility requirements as defined in “Student Eligibility” Section except for the full-time enrollment requirement is eligible to receive scholarship funding. Students must comply with all institutional policies and procedures in accordance with ADA and Section 504 of the Rehabilitation Act of 1973.

B. For renewal, Palmetto Fellows who qualify under ADA and Section 504 of the Rehabilitation Act of 1973 must meet all renewal requirements as defined in the “Duration and Renewal of Awards” Section except for a student not meeting the annual credit hour requirement who is approved by the Disability Services Provider to be enrolled in less than full-time status or less than the required number of annual credit hours for that academic year. Students must earn the required number of hours approved by the institutional Disability Services Provider each academic year for scholarship renewal and earn a minimum 3.0 cumulative grade point average on a 4.0 scale by the end of the academic year. Students must comply with all institutional policies and procedures in accordance with ADA and Section 504 of the Rehabilitation Act of 1973.

C. The institutional Disability Services Provider must provide written documentation to the Office of Financial Aid each academic year verifying that the student is approved to be enrolled in less than full-time status or less than the required annual credit hours.

D. Palmetto Fellows who qualify under ADA and Section 504 of the Rehabilitation Act of 1973 are eligible to receive up to the maximum number of available terms and available funds.

62-350 Enrollment in Internships, Cooperative Work Programs, Travel Study Programs, or National or International Student Exchange Programs

A. Students enrolled in internships, cooperative work programs, travel study programs, or National or International Student Exchange Programs that are approved by the home institution and that the home institution accepts as full-time transfer credit are eligible to receive Palmetto Fellows Scholarship funds during the period in which the student is enrolled in such programs. Students will be required to meet the continued eligibility requirements.

B. Eligible students may use the appropriated portion of the Palmetto Fellows Scholarship funds for internships, cooperative work programs, travel study programs, or National or International Student Exchange Programs that are approved by the home institution and that the home institution accepts as full-time transfer credit. Palmetto Fellows Scholarship funds must be paid directly to the student’s account at the home institution. The amount awarded cannot exceed the cost-of-attendance at the home institution or the cost-of-attendance at the host institution, whichever is less. The Commission on Higher Education will not transfer scholarship funds to the institutions where students will participate in internships, cooperative work programs, travel study programs, or National or International Student Exchange Programs. The institution is responsible for scholarship funds according to the “Program Administration and Audits” Section.

C. Students who enroll in one term of the academic year at the home institution and also enroll in an internship, cooperative work program, travel study program, or National or International Student Exchange Program that are approved by the home institution and that do not award full-time transfer credit during the same academic year must earn fifteen credit hours and a 3.0 cumulative grade point average on a 4.0 scale within the academic year to be eligible for scholarship renewal for the next academic year. The student may

continue to be eligible to receive the Palmetto Fellows Scholarship for up to a total of eight terms (or its equivalent) at all institutions attended. Students will be required to meet the continued eligibility requirements.

D. For students enrolling in an internship, cooperative work program, travel study program, or National or International Student Exchange Program that is approved by the home institution but does not award full-time transfer credit for the entire academic year, scholarship renewal for the next academic year will be based on the prior year's eligibility. The student may continue to be eligible to receive the Palmetto Fellows Scholarship for up to a total of eight terms (or its equivalent) at all institutions attended. Students will be required to meet the continued eligibility requirements.

E. Students enrolling in an internship, a cooperative work program, a travel study program, or National or International Student Exchange Program that are approved by the home institution during the academic year and did not use their entire eligibility for Palmetto Fellows Scholarship funds during this period shall be allowed to receive one term of Palmetto Fellows Scholarship funds during the succeeding summer. In order to receive Palmetto Fellows Scholarship funds for summer school, students must enroll in twelve credit hours during the summer. In order to maintain eligibility for the next academic year for students who only attend summer school at the home institution, the student must earn twelve credit hours for the academic year. For students who enroll in summer school and one other term of the academic year at the home institution, the student must earn a total of 27 credit hours (or its equivalent) for the academic year. The student must meet all continued eligibility requirements, except for the completion of the thirty credit hour requirement for the academic year.

F. The home institution will be responsible for securing official certification of the student's cumulative grade point average, credit hours earned, and satisfactory academic progress for the purposes of determining eligibility for scholarship renewal for the next academic year.

G. Students enrolling in internships, cooperative work programs, travel study programs, or National or International Student Exchange Programs that are approved by the home institution but do not award full-time transfer credit immediately following high school graduation shall be allowed to defer the Palmetto Fellows Scholarship for up to twelve months immediately following high school graduation provided that: 1) the student is accepted for admission as a first time-entering freshman at a participating college or university for the fall term; and 2) the participating institution agrees to defer admission for up to twelve months. Students must enroll at the institution where the award was originally reserved and must be entering college for the first time. The next academic year's eligibility is based on C, D or E above. Credit hours earned and accepted by the home institution for internships, cooperative work programs, travel study programs, or National or International Student Exchange Programs can be used in the current academic year's credit hour requirement.

62-355 Appeals Procedures

A. The Commission on Higher Education shall define the procedures for scholarship appeals.

B. A student who does not meet the continued eligibility criteria for renewal of the Palmetto Fellows Scholarship forfeits continued participation in the program and may request an appeal based on extenuating circumstances.

C. A student is allowed to submit only one appeal each academic year.

D. A student wishing to appeal any non-renewal decision based on extenuating circumstances must submit the following source documents to the Commission on Higher Education by no later than the

established deadline of the academic year the scholarship is requested:

1. A completed application for appeal
2. A letter requesting an appeal describing the extenuating circumstances
3. An official transcript(s)
4. Any other supporting documentation to substantiate the basis for the appeal

E. A student who fails to submit an appeal by the required deadline will result in forfeiture of the award.

F. The Palmetto Fellows Scholarship shall be suspended during the appeal period, but will be awarded retroactively if the appeal is granted.

G. The Appeals Committee's decision is final.

62-360 Institutional Disbursement of Scholarship Funds

A. The institution will identify award amounts, which cannot exceed \$6700 per academic year. Half of each scholarship shall be disbursed during the fall term and half disbursed during the spring term of each year (or its equivalent), assuming continued eligibility. Palmetto Fellows may not be funded for more than a total of eight terms (or its equivalent) of full-time study toward the first baccalaureate degree or a program of study that is structured so as not to require a baccalaureate degree and leads to a graduate degree.

B. The Palmetto Fellows Scholarship may not be applied to a second baccalaureate degree or to graduate coursework, unless the graduate coursework is required as part of a program of study that is structured so as not to require a baccalaureate degree and leads to a graduate degree as defined in the "Program Definitions" Section. In the event of early graduation, the award is discontinued.

C. The institution shall provide an award notification each academic year to Palmetto Fellows recipients, which will contain the terms and conditions of the scholarship and other financial aid awarded. Students will be notified of adjustments in financial aid due to changes in eligibility and/or over-award issues. The Commission on Higher Education, for documentation purposes, requires that each institution obtain verification of acceptance of the Palmetto Fellows Scholarship and terms for the award.

D. After the last day to register for each term of the academic year, the institution will verify enrollment of each recipient as a South Carolina resident who is a full-time degree-seeking student. According to the Scholarship and Grant Programs Policies and Procedures Manual, a listing of eligible recipients by social security number with the award amounts for the term must be sent to the Commission on Higher Education with the institution's request for funds. A year-end reconciliation report will be submitted to the Commission on Higher Education prior to June 30th. Any unused funds shall be refunded to the Commission on Higher Education no later than June 30th of each fiscal year.

E. The Commission will disburse awards to the participating institutions to be placed in each eligible student's account.

62-365 Refunds and Repayments

A. In the event a student who has been awarded a Palmetto Fellows Scholarship withdraws, is suspended from the institution, or drops below full-time status during any regular term of the academic year, institutions must reimburse the Palmetto Fellows Scholarship Program for the amount of the scholarship for the term in question pursuant to refund policies of the institution. Collection is the responsibility of the institution.

B. In the event a student withdraws or drops below full-time status after the institution's refund period and therefore must pay tuition and fees for full-time enrollment, the award may be retained by the student pursuant to the refund policies of the institution.

62-370 Program Administration and Audits

A. The South Carolina Commission on Higher Education shall be responsible for the oversight of functions (e.g., guidelines, policies, rules, regulations) relative to this program with participating institutions. The Commission on Higher Education shall be responsible for the allocation of funds, promulgation of guidelines and regulation governing the Palmetto Fellows Scholarship Program, any audits, or other oversight as may be deemed necessary to monitor the expenditures of scholarship funds.

B. According to the Audit Policies and Procedures for Scholarship and Grant Programs Manual, all eligible institutions that participate in the program must abide by program policies, rules or regulations. Institutions also agree to maintain and provide all pertinent information, records, reports, or any information as may be required or requested by the Commission on Higher Education or the General Assembly to ensure proper administration of the program.

C. The Chief Executive Officer at each participating institution shall identify to the Commission on Higher Education a Palmetto Fellows Scholarship institutional representative who is responsible for the operation of the program on the campus and will serve as the contact person for the program. The institutional representative will act as the student's fiscal agent to receive and deliver funds for use under the program.

62-375 Suspension or Termination of Institutional Participation

A. The Commission on Higher Education may review institutional administrative practices to determine institutional compliance with pertinent statutes, guidelines, rules or regulations. If such a review determines that an institution has failed to comply with program statutes, guidelines, rules or regulations, the Commission on Higher Education may suspend, terminate, or place certain conditions upon the institution's continued participation in the program and require reimbursement to the Palmetto Fellows Scholarship Program for any funds lost or improperly awarded.

B. Upon receipt of evidence that an institution has failed to comply, the Commission on Higher Education shall notify the institution in writing of the nature of such allegations and conduct an audit.

C. If an audit indicates that a violation or violations may have occurred or are occurring at any public or independent college or university, the Commission on Higher Education shall secure immediate reimbursement from the institution in the event that any funds were expended out of compliance with the provisions of the Act, any relevant statutes, guidelines, rules, and regulations.

Fiscal Impact Statement:

Any increase in funding for the Palmetto Fellows Scholarship Program would be dependent upon additional funding appropriated by the General Assembly.